

STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:

AMERICAN SUGAR REFINING, INC.

AI # 1329

PROCEEDINGS UNDER THE LOUISIANA
ENVIRONMENTAL QUALITY ACT
LA. R.S. 30:2001, ET SEQ.

* Settlement Tracking No.
* SA-WE-21-0001
*
* Enforcement Tracking Nos.
* WE-CN-17-00018
* WE-CN-18-00625
*
* Docket Nos. 2018-7981-DEQ
* 2020-5076-DEQ
*

SETTLEMENT

The following Settlement is hereby agreed to between American Sugar Refining, Inc. (“Respondent”) and the Department of Environmental Quality (“DEQ” or “the Department”), under authority granted by the Louisiana Environmental Quality Act, La. R.S. 30:2001, et seq. (“the Act”).

I

Respondent is a corporation that owns and/or operates a crystalline cane sugar refinery facility located in Arabi, St. Bernard Parish, Louisiana (“the Facility”).

II

On September 20, 2017, the Department issued to Respondent a Consolidated Compliance Order & Notice of Potential Penalty, Enforcement No. WE-CN-17-00018 (Exhibit 1).

On January 25, 2019, the Department issued to Respondent a Consolidated Compliance Order & Notice of Potential Penalty, Enforcement No. WE-CN-18-00625 (Exhibit 2).

The following violations, although not cited in the foregoing enforcement actions, are included within the scope of this settlement:

A. The Respondent failed to comply with LPDES permit LA0005665. Specifically, an inspection conducted on December 10, 2019, and a subsequent file review of Discharge Monitoring Reports (DMRs) between October 2018 and February 2020 revealed that the Respondent reported exceedances of permit effluent limitations for TSS, BOD and TOC. (See **Table I**) (LA0005665 (Part I, Page 2 and 3 of 4 and Part III, Section A.2), La. R.S. 30:2076(A)(3), and LAC 33:IX.501.A)

American Sugar Refining-LA0005665					
Table I					
MP End Date	Outfall	Parameter	Limit	DMR Value	Units
01/31/2019	SUM-A	Solids, total suspended --- DAILY MX	2134	5544	lb/d
03/31/2019	SUM-A	BOD, 5-day, 20 deg. C --- MO AVG	3399	4871.2	lb/d
06/30/2019	SUM-A	BOD, 5-day, 20 deg. C --- DAILY MX	9406	11234	lb/d
08/31/2019	SUM-A	BOD, 5-day, 20 deg. C --- MO AVG	3399	4093.22	lb/d
08/31/2019	SUM-A	BOD, 5-day, 20 deg. C --- DAILY MX	9406	12980.7	lb/d
09/30/2019	003-Q	Carbon, tot organic [TOC] --- DAILY MX	50	145	mg/L
10/31/2019	SUM-A	BOD, 5-day, 20 deg. C --- MO AVG	3399	8016.29	lb/d
10/31/2019	SUM-A	BOD, 5-day, 20 deg. C --- DAILY MX	9406	13379.87	lb/d
12/31/2019	003-Q	Carbon, tot organic [TOC] --- DAILY MX	50	51.3	mg/L
02/29/2020	SUM-A	pH --- INST MAX	9	9.15	SU

III

In response to the Consolidated Compliance Orders & Notices of Potential Penalty, Respondent made timely requests for a hearing.

IV

Respondent denies it committed any violations or that it is liable for any fines, forfeitures and/or penalties.

V

Nonetheless, Respondent, without making any admission of liability under state or federal statute or regulation, agrees to pay, and the Department agrees to accept, a payment in the amount of EIGHT THOUSAND THREE HUNDRED AND NO/100 DOLLARS (\$8,300.00), of which Five Hundred Eighty-Seven and 28/100 Dollars (\$587.28) represents the Department's enforcement costs, in settlement of the claims set forth in this agreement. The total amount of money expended by Respondent on cash payments to the Department as described above, shall be considered a civil penalty for tax purposes, as required by La. R.S. 30:2050.7(E)(1).

VI

Respondent further agrees that the Department may consider the inspection report(s), permit record(s), the Consolidated Compliance Orders & Notices of Potential Penalty and this Settlement for the purpose of determining compliance history in connection with any future enforcement or permitting action by the Department against Respondent, and in any such action Respondent shall be estopped from objecting to the above-referenced documents being considered as proving the violations alleged herein for the sole purpose of determining Respondent's compliance history.

VII

This agreement shall be considered a final order of the Secretary for all purposes, including, but not limited to, enforcement under La. R.S. 30:2025(G)(2), and Respondent hereby waives any right to administrative or judicial review of the terms of this agreement, except such review as may be required for interpretation of this agreement in any action by the Department to enforce this agreement.

VIII

This settlement is being made in the interest of settling the state's claims and avoiding for

both parties the expense and effort involved in litigation or an adjudicatory hearing. In agreeing to the compromise and settlement, the Department considered the factors for issuing civil penalties set forth in La. R. S. 30:2025(E) of the Act.

IX

As required by law, the Department has submitted this Settlement Agreement to the Louisiana Attorney General for approval or rejection. The Attorney General's concurrence is appended to this Settlement Agreement.

X

The Respondent has caused a public notice advertisement to be placed in the official journal of the parish governing authority in St. Bernard Parish, Louisiana. The advertisement, in form and wording approved by the Department, announced the availability of this settlement for public view and comment and the opportunity for a public hearing. Respondent has submitted an original proof-of-publication affidavit and an original public notice to the Department and, as of the date this Settlement is executed on behalf of the Department, more than forty-five (45) days have elapsed since publication of the notice.

XI

Payment is to be made within ten (10) days from notice of the Secretary's signature. If payment is not received within that time, this Agreement is voidable at the option of the Department. Payments are to be made by check, payable to the Department of Environmental Quality, and mailed or delivered to the attention of Accountant Administrator, Financial Services Division, Department of Environmental Quality, Post Office Box 4303, Baton Rouge, Louisiana, 70821-4303. Each payment shall be accompanied by a completed Settlement Payment Form (Exhibit A).

XII

In consideration of the above, any claims for penalties are hereby compromised and settled in accordance with the terms of this Settlement.

XIII

Each undersigned representative of the parties certifies that he or she is fully authorized to execute this Settlement Agreement on behalf of his or her respective party, and to legally bind such party to its terms and conditions.

AMERICAN SUGAR REFINING, INC.

BY: [Signature]
(Signature)



TERRY TAHAL
(Printed)

TITLE: Plant Manager

THUS DONE AND SIGNED in duplicate original before me this 22nd day of April, 20 21, at 8:15 a.m.

[Signature]
NOTARY PUBLIC (ID # 152461)

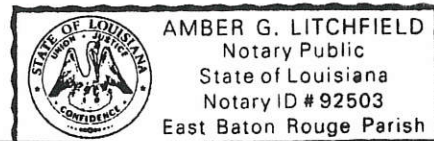
Walter F. Metzinger, III
State of Louisiana
Notarial I.D. No. 152461
(stamped or printed)
My commission is for life.

LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY
Chuck Carr Brown, Ph.D., Secretary

BY: [Signature]
Lourdes Iturralde, Assistant Secretary
Office of Environmental Compliance


THUS DONE AND SIGNED in duplicate original before me this 10th day of August, 20 21, at Baton Rouge, Louisiana.

[Signature]
NOTARY PUBLIC (ID # 92503)



(stamped or printed)

Approved: [Signature]
Lourdes Iturralde, Assistant Secretary

LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY OFFICE OF ENVIRONMENTAL COMPLIANCE ENFORCEMENT DIVISION POST OFFICE BOX 4312 BATON ROUGE, LOUISIANA 70821-4312		CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY																																																									
Enforcement Tracking No.	WE-CN-17-00018	Certified Mail No.	7014 0510 0001 5486 2206																																																								
Agency Interest (AI) No.	1329	Contact Name	Taylor Alexander																																																								
Alternate ID No.	LA0005665	Contact Phone No.	(225) 219-3811																																																								
Respondent:	American Sugar Refining, Inc.	Facility Name:	Chalmette Cane Sugar Refinery																																																								
	c/o Corporate Creations Network, Inc.	Physical Location:	7417 North Peters Street																																																								
	Agent for Service of Process																																																										
	1070-B West Causeway Approach	City, State, Zip:	Arabi, LA 70032																																																								
	Mandeville, LA 70471	Parish:	St. Bernard																																																								
This CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY is issued by the Louisiana Department of Environmental Quality (the Department), under the authority granted by the Louisiana Environmental Quality Act (the Act), La. R.S. 30:2001, et seq., and particularly by La. R.S. 30:2025(C), 30:2050.2 and 30:2050.3(B).																																																											
FINDINGS OF FACT																																																											
An authorized representative of the Department inspected the abovementioned facility or conducted a file review of the facility to determine the degree of compliance with regulations promulgated in the Louisiana Administrative Code, Title 33. The State regulatory citations for the violation(s) identified during the inspection and/or file review are indicated below.																																																											
I.	The Respondent owns and/or operates a crystalline cane sugar refinery located at 7417 North Peters Street, Arabi, St. Bernard Parish, Louisiana. The Respondent was reissued LPDES permit LA0005665 on September 10, 2014, with an effective date of October 1, 2014, and an expiration date of September 30, 2019. Under the terms and conditions of LPDES permit LA0005665, the Respondent is permitted to continuously discharge barometric condenser water, condensed refining vapors from the process evaporator, water filtration plant accelerator blowdowns and mixed media filter bed backwashes, process wastewater treatment plant effluent, process cooling water, stormwater runoff, boiler and power house blowdowns, water softener backwash (brine), cooling water, and specialty sugar barometric condenser water and cooling water to the Mississippi River (Subsegment 070301), waters of the state. The Respondent is also permitted to intermittently discharge low contamination potential stormwater runoff from the Northwest property and calcium carbonate storage area to an open ditch, thence into Eickes Canal, thence into Florida Canal, thence into the marshes north of Arabi, Louisiana (Subsegment 041801), waters of the state.																																																										
	Date of Violation	Description of Violation																																																									
II.	Inspection(s) 12/29/2015	The Respondent failed to implement the facility's Spill Prevention and Control (SPC) Plan and Stormwater Pollution Prevention Plan (SWP3). Specifically, the following violations were noted during the inspection: A. The Respondent failed to maintain the secondary containment drainage logs. During the inspection, the facility representative stated the secondary containment for the 10,000 gallon diesel tank onsite was drained between March 16, 2015, and December 29, 2015. This was not recorded in the drainage log as required by the SPC Plan. B. Oily water was present in the secondary containment for an approximately 500 gallon fuel tank. The drainage valve was not closed, and oily product was dripping onto the ground outside containment. C. Secondary containment for the motor and hydraulic oils had approximately one inch of freeboard, which was insufficient to allow for precipitation. D. Various 55 gallon drums containing hydraulic oil and other oily products were observed outside of secondary containment. The drums were in a common storage area with two fuel storage tanks that have a combined storage capacity of greater than 1,320 gallons. E. Contaminated water from a trash compactor was seeping onto the ground and not being contained. F. Oily sorbent pads in garbage bags and a drum were exposed to rain water and allowed to drip onto the ground outside of containment. Violation A is a violation of the facility's SPC Plan (La. R.S. 30:2076(A)(3) and LAC 33:IX.905.B). Violations B, C, and D are violations of the facility's SPC Plan and SWP3 (LA0005665 (Part II, Section K.5.c,e,f,&g and Part III, Section A.2), La. R.S. 30:2076(A)(3), LAC 33:IX.905.B, and LAC 33:IX.2701.A). Violations E and F are violations of the facility's SWP3 (LA0005665 (Part II, Section K.5.c,e,f,&g and Part III, Section A.2), La. R.S. 30:2076(A)(3), and LAC 33:IX.2701.A). On March 1, 2017, the Respondent submitted a response to Warning Letter WE-L-17-00018. The Respondent stated the oil and water was removed from the diesel storage tank containment areas. The Respondent reported that all hydrocarbon products were stored indoors or in double-walled tanks and all chemical drums will be placed on polystyrene containment pallets. The Respondent also reported to have trained all refinery personnel on spill prevention techniques.																																																									
III.	Inspection(s) & File Review 12/29/2015 & 06/23/2017	The Respondent failed to comply with LPDES permit LA0005665. Specifically, between September 2015 and October 2016, the Respondent reported exceedances of permit effluent limitations for BOD ₅ , TSS, and TOC. (LA0005665 (Part I, Pages 2 and 3 of 4 and Part III, Section A.2); La. R.S. 30:2076(A)(3), and LAC 33:IX.501.A)																																																									
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		001/002	BOD ₅	9,406 lb/day (Daily Maximum)	10,207 lb/day
June 2017		001/002	BOD ₅	3,399 lb/day (Monthly Average)	9,948 lb/day
		001/002	BOD ₅	9,406 lb/day (Daily Maximum)	17,260 lb/day
July 2017		001/002	BOD ₅	3,399 lb/day (Monthly Average)	6,199 lb/day
		001/002	BOD ₅	9,406 lb/day (Daily Maximum)	16,357 lb/day

ORDER

Based on the foregoing, the Respondent is hereby ordered to comply with the requirements that are indicated below:

I.	To take, immediately upon receipt of this COMPLIANCE ORDER , any and all steps necessary to meet and maintain compliance with the Water Quality Regulations. This shall include, but not be limited to; correcting <u>all</u> of the violations described in the "Findings of Fact" portion.
II.	To submit to the Enforcement Division, within thirty (30) days after receipt of this COMPLIANCE ORDER , a written report that includes a detailed description of the circumstances surrounding the cited violation(s) and actions taken or to be taken to achieve compliance with the "Order" portion of this COMPLIANCE ORDER . This report and all other reports or information required to be submitted to the Enforcement Division by this COMPLIANCE ORDER shall be submitted to the Department at the address specified in this document.
III.	To submit to the Enforcement Division, within thirty (30) days after receipt of this COMPLIANCE ORDER , a comprehensive plan for the expeditious elimination and prevention of such noncomplying discharges. Such plan shall provide for specific corrective actions taken and shall include a critical path schedule for the achievement of compliance within the shortest time possible.

RIGHT TO APPEAL

I.	The Respondent has a right to an adjudicatory hearing on a disputed issue of material fact or of law arising from this COMPLIANCE ORDER . This right may be exercised by filing a written request with the Secretary no later than thirty (30) days after receipt of this COMPLIANCE ORDER .
II.	The request for an adjudicatory hearing shall specify the provisions of the COMPLIANCE ORDER on which the hearing is requested and shall briefly describe the basis for the request. This request should reference the Enforcement Tracking Number and Agency Interest Number, which are located in the upper right-hand corner of the first page of this document and should be directed to the address specified in this document.
III.	Upon the Respondent's timely filing a request for a hearing, a hearing on the disputed issue of material fact or of law regarding this COMPLIANCE ORDER may be scheduled by the Secretary of the Department. The hearing shall be governed by the Act, the Administrative Procedure Act (La. R.S. 49:950, et seq.). The Department may amend or supplement this COMPLIANCE ORDER prior to the hearing, after providing sufficient notice and an opportunity for the preparation of a defense for the hearing.
IV.	This COMPLIANCE ORDER shall become a final enforcement action unless the request for hearing is timely filed. Failure to timely request a hearing constitutes a waiver of the Respondent's right to a hearing on a disputed issue of material fact or of law under Section 2050.4 of the Act for the violation(s) described herein.
V.	The Respondent's failure to request a hearing or to file an appeal or the Respondent's withdrawal of a request for hearing on this COMPLIANCE ORDER shall not preclude the Respondent from contesting the findings of facts in any subsequent penalty action addressing the same violation(s), although the Respondent is estopped from objecting to this COMPLIANCE ORDER becoming a permanent part of its compliance history.
VI.	Civil penalties of not more than thirty-two thousand five hundred dollars (\$32,500) may be assessed for each day of violation. The Respondent's failure or refusal to comply with this COMPLIANCE ORDER and the provisions herein will subject the Respondent to possible enforcement procedures under La. R.S. 30:2025, which could result in the assessment of a civil penalty in an amount of not more than fifty thousand dollars (\$50,000) for each day of continued violation or noncompliance.
VII.	For each violation described herein, the Department reserves the right to seek civil penalties in any manner allowed by law, and nothing herein shall be construed to preclude the right to seek such penalties.

NOTICE OF POTENTIAL PENALTY


I.	Pursuant to La. R.S. 30:2050.3(B), you are hereby notified that the issuance of a penalty assessment is being considered for the violation(s) described herein. Written comments may be filed regarding the violation(s) and the contemplated penalty. If you elect to submit comments, it is requested that they be submitted within ten (10) days of receipt of this notice.
II.	Prior to the issuance of additional appropriate enforcement action(s), you may request a meeting with the Department to present any mitigating circumstances concerning the violation(s). If you would like to have such a meeting, please contact Taylor Alexander at (225) 219-3811 within ten (10) days of receipt of this NOTICE OF POTENTIAL PENALTY .
III.	The Department is required by La. R.S. 30:2025(E)(3)(a) to consider the gross revenues of the Respondent and the monetary benefits of noncompliance to determine whether a penalty will be assessed and the amount of such penalty. Please forward the Respondent's most current annual gross revenue statement along with a statement of the monetary benefits of noncompliance for the cited violation(s) to the above named contact person within ten (10) days of receipt of this NOTICE OF POTENTIAL PENALTY . Include with your statement of monetary benefits the method(s) you utilized to arrive at the sum. If you assert that no monetary benefits have been gained, you are to fully justify that statement. If the Respondent chooses not to submit the requested most current annual gross revenues statement within ten (10) days, it will be viewed by the Department as an admission that the Respondent has the ability to pay the statutory maximum penalty as outlined in La. R.S. 30:2025.
IV.	This CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY is effective upon receipt.

CONTACTS AND SUBMITTAL OF INFORMATION	
Enforcement Division: Louisiana Department of Environmental Quality Office of Environmental Compliance Water Enforcement Division Post Office Box 4312 Baton Rouge, LA 70821 Attn: Taylor Alexander	Hearing Requests: Department of Environmental Quality Office of the Secretary Post Office Box 4302 Baton Rouge, Louisiana 70821-4302 Attn: Hearings Clerk, Legal Division Re: Enforcement Tracking No. WE-CN-17-00018 Agency Interest No. 1329
Permit Division (if necessary): Department of Environmental Quality Office of Environmental Services Post Office Box 4313 Baton Rouge, LA 70821-4313 Attn: Water Permits Division	Physical Address (if hand delivered): Department of Environmental Quality 602 N Fifth Street Baton Rouge, LA 70802

**HOW TO REQUEST CLOSURE OF THIS CONSOLIDATED COMPLIANCE ORDER
& NOTICE OF POTENTIAL PENALTY**

- To appeal the **CONSOLIDATED COMPLIANCE ORDER AND NOTICE OF POTENTIAL PENALTY**, the Respondent must follow the guidelines set forth in the "Right to Appeal" portion of this **CONSOLIDATED COMPLIANCE ORDER AND NOTICE OF POTENTIAL PENALTY**.
- To request closure of the **COMPLIANCE ORDER** portion, the Respondent must demonstrate compliance with the "Order" portion of this **COMPLIANCE ORDER** by completing the attached "**CONSOLIDATED COMPLIANCE ORDER AND NOTICE OF POTENTIAL PENALTY REQUEST TO CLOSE**" form and returning it to the address specified.
 - Before requesting closure of the **COMPLIANCE ORDER** portion, please contact the Financial Services Division at 225-219-3865 or email them at _DEQ-WWWFinancialServices@la.gov to determine if you owe outstanding fees:
- To expedite closure of the **NOTICE OF POTENTIAL PENALTY** portion, the Respondent may offer a settlement amount to resolve any claim for civil penalties for the violation(s) described herein.
 - The Department assesses civil penalties based on LAC 33:1.Subpart1.Chapter7.
 - The Respondent may offer a settlement amount but the Department is under no obligation to enter into settlement negotiations. It is decided upon on a discretionary basis.
 - The settlement offer amount may be entered on the attached "**CONSOLIDATED COMPLIANCE ORDER AND NOTICE OF POTENTIAL PENALTY REQUEST TO CLOSE**" form. The Respondent must include a justification of the offer.
 - **DO NOT** submit payment of the offer amount with the form. The Department will review the settlement offer and notify the Respondent as to whether the offer is or is not accepted.
 - Before requesting closure of the **NOTICE OF POTENTIAL PENALTY** portion, please contact the Financial Services Division at 225-219-3865 or email them at _DEQ-WWWFinancialServices@la.gov to determine if you owe outstanding fees.

If you have questions or need more information, you may contact Taylor Alexander at (225) 219-3811 or Taylor.Alexander@la.gov.


Lourdes Iturralde
Assistant Secretary
Office of Environmental Compliance

Date: 9-20-17

Attachment(s)

- Request to Close
- Settlement Brochure

LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY OFFICE OF ENVIRONMENTAL COMPLIANCE ENFORCEMENT DIVISION POST OFFICE BOX 4312 BATON ROUGE, LOUISIANA 70821-4312				CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY REQUEST TO CLOSE			
Enforcement Tracking No.	WE-CN-17-00018	Contact Name	Taylor Alexander				
Agency Interest (AI) No.	1329	Contact Phone No.	(225) 219-3811				
Alternate ID No.	LA0005665						
Respondent:	American Sugar Refining, Inc.	Facility Name:	Chalmette Cane Sugar Refinery				
	c/o Corporate Creations Network, Inc.	Physical Location:	7417 North Peters Street				
	Agent for Service of Process						
	1070-B West Causeway Approach Mandeville, LA 70471	City, State, Zip:	Arabi, LA 70032		Parish:		St. Bernard
STATEMENT OF COMPLIANCE							
STATEMENT OF COMPLIANCE						Date Completed	Copy Attached?
A written report was submitted in accordance with Paragraph II of the "Order" portion of the COMPLIANCE ORDER .							
All necessary documents were submitted to the Department within 30 days of receipt of the COMPLIANCE ORDER in accordance with Paragraph III of the "Order" portion of the COMPLIANCE ORDER .							
All items in the "Findings of Fact" portion of the COMPLIANCE ORDER were addressed and the facility is being operated to meet and maintain the requirements of the "Order" portion of the COMPLIANCE ORDER . Final compliance was achieved as of:							
SETTLEMENT OFFER (OPTIONAL)							
<i>(check the applicable option)</i>							
<input type="checkbox"/>	The Respondent is not interested in entering into settlement negotiations with the Department with the understanding that the Department has the right to assess civil penalties based on LAC 33:1.Subpart1.Chapter7.						
<input type="checkbox"/>	In order to resolve any claim for civil penalties for the violations in NOTICE OF POTENTIAL PENALTY (WE-CN-17-00018), the Respondent is interested in entering into settlement negotiations with the Department and would like to set up a meeting to discuss settlement procedures.						
<input type="checkbox"/>	In order to resolve any claim for civil penalties for the violations in NOTICE OF POTENTIAL PENALTY (WE-CN-17-00018), the Respondent is interested in entering into settlement negotiations with the Department and offers to pay \$ _____ which shall include LDEQ enforcement costs and any monetary benefit of non-compliance. <ul style="list-style-type: none"> • Monetary component = \$ _____ • Beneficial Environmental Project (BEP) component (optional)= \$ _____ • DO NOT SUBMIT PAYMENT OF THE OFFER WITH THIS FORM- the Department will review the settlement offer and notify the Respondent as to whether the offer is or is not accepted. The Respondent has reviewed the violations noted in NOTICE OF POTENTIAL PENALTY (WE-CN-17-00018) and has attached a justification of its offer and a description of any BEPs if included in settlement offer.						
CERTIFICATION STATEMENT							
I certify, under provisions in Louisiana and United States law that provide criminal penalties for false statements, that based on information and belief formed after reasonable inquiry, the statements and information attached and the compliance statement above, are true, accurate, and complete. I also certify that I do not owe outstanding fees or penalties to the Department for this facility or any other facility I own or operate. I further certify that I am either the Respondent or an authorized representative of the Respondent.							
Respondent's Signature		Respondent's Printed Name			Respondent's Title		
Respondent's Physical Address				Respondent's Phone #		Date	
MAIL COMPLETED DOCUMENT TO THE ADDRESS BELOW:							
Louisiana Department of Environmental Quality Office of Environmental Compliance Enforcement Division Post Office Box 4312 Baton Rouge, LA 70821 Attn: Taylor Alexander							

If you have questions or need more information, you may contact Taylor Alexander at (225) 219-3811 or Taylor.Alexander@la.gov.

SETTLEMENT AGREEMENTS

WHAT IS A SETTLEMENT AGREEMENT?

Once the Department has determined that a penalty is warranted for a violation, the Assistant Secretary of the Department, with the concurrence of the Attorney General, may enter into a settlement agreement with the Respondent as a means to resolve the Department's claim for a penalty.

HOW DOES THE SETTLEMENT AGREEMENT PROCESS WORK?

To begin the settlement agreement process, the Department must receive a written settlement offer. Once this offer is submitted, it is sent for approval by the Assistant Secretary of the Office of Environmental Compliance. The formal Settlement Agreement is drafted and sent to the Attorney General's office where the Attorney General has a 90 day concurrence period. During this time, the Respondent is required to run a public notice in an official journal and/or newspaper of general circulation in each affected parish. After which, a 45 day public comment period is opened to allow the public to submit comments. Once the Department has received concurrence, the settlement agreement is signed by both parties. The Department then forwards a letter to the responsible party to establish a payment plan and/or beneficial environmental project (BEP).

WHAT SHOULD I INCLUDE IN A SETTLEMENT AGREEMENT?

The Department uses the penalty determination method defined in LAC 33:1.705 as a guideline to accepting settlement offers. The penalty matrix is used to determine a penalty range for each violation based on the two violation specific factors, the nature and gravity of the violation and the degree of risk/impact to human health and property.

	NATURE AND GRAVITY OF THE VIOLATION			
	MAJOR	MODERATE	MINOR	
DEGREE OF RISK OR IMPACT TO HUMAN HEALTH OR PROPERTY	MAJOR	\$32,500 to \$20,000	\$20,000 to \$15,000	\$15,000 to \$11,000
	MODERATE	\$11,000 to \$8,000	\$8,000 to \$5,000	\$5,000 to \$3,000
	MINOR	\$3,000 to \$1,500	\$1,500 to \$500	\$500 to \$100

Degree of Risk to Human Health or Property

Major: (actual measurable harm or substantial risk of harm) A violation of major impact to an environmental resource or a hazard characterized by high volume and/or frequent occurrence and/or high pollutant concentration.

Moderate: (potential for measurable detrimental impact) A violation of moderate impact and hazard may be one characterized by occasional occurrence and/or pollutant concentration that may be expected to have a detrimental effect under certain conditions

Minor: (no harm or risk of harm) A violation of minor impact are isolated single incidences and that cause no measurable detrimental effect or are administrative in nature.

Nature and Gravity of the Violation

Major: Violations of statutes, regulations, orders, permit limits, or permit requirements that result in negating the intent of the requirement to such an extent that little or no implementation of requirements occurred.

Moderate: Violations that result in substantially negating the intent of the requirements, but some implementation of the requirements occurred.

Minor: Violations that result in some deviation from the intent of the requirement; however, substantial implementation is demonstrated.

The range is adjusted using the following violator specific factors:

1. history of previous violations or repeated noncompliance;
2. gross revenues generated by the respondent;
3. degree of culpability, recalcitrance, defiance, or indifference to regulations or orders;
4. whether the Respondent has failed to mitigate or to make a reasonable attempt to mitigate the damages caused by the violation, and
5. whether the violation and the surrounding circumstances were immediately reported to the department, and whether the violation was concealed or there was an attempt to conceal by the Respondent.



SETTLEMENT AGREEMENTS

Given the previous information, the following formula is used to obtain a penalty amount.

$$\text{Penalty Event Total} = \text{Penalty Event Minimum} + (\text{Adjustment Percentage} \times (\text{Penalty Event Maximum} - \text{Penalty Event Minimum}))$$

After this, the Department adds any monetary benefit of noncompliance to the penalty event. In the event that a monetary benefit is gained due to the delay of a cost that is ultimately paid, the Department adds the applicable judicial interest. Finally, the Department adds all response costs including, but not limited to, the cost of conducting inspections, and the staff time devoted to the preparation of reports and issuing enforcement actions.

WHAT IS A BEP?

A BEP is a project that provides for environmental mitigation which the respondent is not otherwise legally required to perform, but which the defendant/respondent agrees to undertake as a component of the settlement agreement.

Project categories for BEPs include public health, pollution prevention, pollution reduction, environmental restoration and protection, assessments and audits, environmental compliance promotion, and emergency planning, preparedness and response. Other projects may be considered if the Department determines that these projects have environmental merit and is otherwise fully consistent with the intent of the BEP regulations.


WHAT HAPPENS IF MY OFFER IS REJECTED?

If an offer is rejected by the Assistant Secretary, the Legal Division will contact the responsible party, or anyone designated as an appropriate contact in the settlement offer, to discuss any discrepancies.

WHERE CAN I FIND EXAMPLES AND MORE INFORMATION?

Settlement Offers	searchable in <u>EDMS</u> using the following filters Media: Air Quality, Function: Enforcement, Description: Settlement
Settlement Agreements	<u>Enforcement Division's website</u> specific examples can be provided upon request
Penalty Determination Method	<u>LAC 33:1 Chapter 7</u>
Beneficial Environmental Projects	<u>LAC 33:1 Chapter 25</u> <u>FAQs</u>
Judicial Interest.....	<u>provided by the Louisiana State Bar Association</u>



LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY OFFICE OF ENVIRONMENTAL COMPLIANCE ENFORCEMENT DIVISION POST OFFICE BOX 4312 BATON ROUGE, LOUISIANA 70821-4312		CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY		
Enforcement Tracking No.	WE-CN-18-00625	Certified Mail No.	7017 0530 0000 5978 9371	
Agency Interest (AI) No.	1329	Contact Name	Melissa Sherman	
Alternate ID No.	LA0005665	Contact Phone No.	225-219-3770	
Respondent:	American Sugar Refining, Inc.	Facility Name:	Chalmette Cane Sugar Refinery	
	c/o Corporate Creations Network, Inc.	Physical Location:	7417 North Peters Street	
	Agent for Service of Process	City, State, Zip:	Arabi, LA 70032	
	1070-B West Causeway Approach	Parish:	St. Bernard	
	Mandeville, LA 70471			
This CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY is issued by the Louisiana Department of Environmental Quality (the Department), under the authority granted by the Louisiana Environmental Quality Act (the Act), La. R.S. 30:2001, et seq., and particularly by La. R.S. 30:2025(C), 30:2050.2 and 30:2050.3(B).				
FINDINGS OF FACT				
An authorized representative of the Department inspected the abovementioned facility or conducted a file review of the facility to determine the degree of compliance with regulations promulgated in the Louisiana Administrative Code, Title 33. The State regulatory citations for the violation(s) identified during the inspection and/or file review are indicated below.				
I.	The Respondent owns and/or operates a crystalline cane sugar refinery located at 7417 North Peters Street in Arabi, St. Bernard Parish, Louisiana. The Respondent was issued Louisiana Pollutant Discharge Elimination System (LPDES) Permit LA0005665 on September 10, 2014, with an effective date of October 1, 2014. LPDES Permit LA0005665 will expire on September 30, 2019. Under the terms and conditions of LPDES Permit LA0005665, the Respondent is permitted to continuously discharge barometric condenser water, condensed refining vapors from the process evaporator, water filtration plant accelerator blowdowns and mixed media filter bed backwashes, process wastewater treatment plant effluent, process cooling water, stormwater runoff, boiler and power house blowdowns, water softener backwash (brine), cooling water, and specialty sugar barometric condenser water and cooling water to the Mississippi River, waters of the state. The Respondent is also permitted to intermittently discharge low contamination potential stormwater runoff from the Northwest property and the calcium carbonate storage area to an open ditch, thence into Eickes Canal, thence into Florida Canal, thence into the marshes north of Arabi, all waters of the state.			
	On or about September 20, 2017, the Department issued CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY WE-CN-17-00018 to the Respondent, received by the Respondent on October 4, 2017. The Respondent submitted an adjudicatory hearing request on November 3, 2017. The Department and the Respondent agreed to enter into dispute resolution discussions on November 27, 2017. The request for an adjudicatory hearing was granted on September 12, 2018.			
	Date of Violation	Description of Violation		
II.	Inspection(s) & File Review 4/24/2018 10/30/2018	The Respondent failed to comply with LPDES permit LA0005665. Specifically, between August 2017 and September 2018, the Respondent reported exceedances of permit effluent limitations for TSS, BODs, and TOC. (See Attached Table I) (LA0005665 (Part I, Page 2 and 3 of 4 and Part III, Section A.2), La. R.S. 30:2076(A)(3), and LAC 33:IX.501.A)		
ORDER				
Based on the foregoing, the Respondent is hereby ordered to comply with the requirements that are indicated below:				
I.	To take, immediately upon receipt of this COMPLIANCE ORDER , any and all steps necessary to meet and maintain compliance with the Water Quality Regulations. This shall include, but not be limited to; correcting all of the violations described in the "Findings of Fact" portion.			
II.	To submit to the Enforcement Division, within thirty (30) days after receipt of this COMPLIANCE ORDER , a written report that includes a detailed description of the circumstances surrounding the cited violation(s) and actions taken or to be taken to achieve compliance with the "Order" portion of this COMPLIANCE ORDER . This report and all other reports or information required to be submitted to the Enforcement Division by this COMPLIANCE ORDER shall be submitted to the Department at the address specified in this document.			
RIGHT TO APPEAL				
I.	The Respondent has a right to an adjudicatory hearing on a disputed issue of material fact or of law arising from this COMPLIANCE ORDER . This right may be exercised by filing a written request with the Secretary no later than thirty (30) days after receipt of this COMPLIANCE ORDER .			
II.	The request for an adjudicatory hearing shall specify the provisions of the COMPLIANCE ORDER on which the hearing is requested and shall briefly describe the basis for the request. This request should reference the Enforcement Tracking Number and Agency Interest Number, which are located in the upper left-hand corner of the first page of this document and should be directed to the address specified in this document.			
III.	Upon the Respondent's timely filing a request for a hearing, a hearing on the disputed issue of material fact or of law regarding this COMPLIANCE ORDER may be scheduled by the Secretary of the Department. The hearing shall be governed by the Act, the Administrative Procedure Act (La. R.S. 49:950, et seq.), and the Division of Administrative Law's (DAL) Procedural Rules. The Department may amend or supplement this COMPLIANCE ORDER prior to the hearing, after providing sufficient notice and an opportunity for the preparation of a defense for the hearing.			
IV.	This COMPLIANCE ORDER shall become a final enforcement action unless the request for hearing is timely filed. Failure to timely request a hearing constitutes a waiver of the Respondent's right to a hearing on a disputed issue of material fact or of law under Section 2050.4 of the Act for the violation(s) described herein.			
V.	The Respondent's failure to request a hearing or to file an appeal or the Respondent's withdrawal of a request for hearing on this COMPLIANCE ORDER shall not preclude the Respondent from contesting the findings of facts in any subsequent penalty action addressing the same violation(s), although the Respondent is estopped from objecting to this COMPLIANCE ORDER becoming a permanent part of its compliance history.			



- VI. Civil penalties of not more than thirty-two thousand five hundred dollars (\$32,500) may be assessed for each day of violation. The Respondent's failure or refusal to comply with this **COMPLIANCE ORDER** and the provisions herein will subject the Respondent to possible enforcement procedures under La. R.S. 30:2025, which could result in the assessment of a civil penalty in an amount of not more than fifty thousand dollars (\$50,000) for each day of continued violation or noncompliance.
- VII. For each violation described herein, the Department reserves the right to seek civil penalties in any manner allowed by law, and nothing herein shall be construed to preclude the right to seek such penalties.

NOTICE OF POTENTIAL PENALTY

- I. Pursuant to La. R.S. 30:2050.3(B), you are hereby notified that the issuance of a penalty assessment is being considered for the violation(s) described herein. Written comments may be filed regarding the violation(s) and the contemplated penalty. If you elect to submit comments, it is requested that they be submitted within ten (10) days of receipt of this notice.
- II. Prior to the issuance of additional appropriate enforcement action(s), you may request a meeting with the Department to present any mitigating circumstances concerning the violation(s). If you would like to have such a meeting, please contact Melissa Sherman at 225-219-3770 within ten (10) days of receipt of this **NOTICE OF POTENTIAL PENALTY**.
- III. The Department is required by La. R.S. 30:2025(E)(3)(a) to consider the gross revenues of the Respondent and the monetary benefits of noncompliance to determine whether a penalty will be assessed and the amount of such penalty. Please forward the Respondent's most current annual gross revenue statement along with a statement of the monetary benefits of noncompliance for the cited violation(s) to the above named contact person within ten (10) days of receipt of this **NOTICE OF POTENTIAL PENALTY**. Include with your statement of monetary benefits the method(s) you utilized to arrive at the sum. If you assert that no monetary benefits have been gained, you are to fully justify that statement. If the Respondent chooses not to submit the requested most current annual gross revenues statement within ten (10) days, it will be viewed by the Department as an admission that the Respondent has the ability to pay the statutory maximum penalty as outlined in La. R.S. 30:2025.
- IV. This **CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY** is effective upon receipt.

CONTACTS AND SUBMITTAL OF INFORMATION

Enforcement Division:		Hearing Requests:	
Louisiana Department of Environmental Quality Office of Environmental Compliance Water Enforcement Division Post Office Box 4312 Baton Rouge, LA 70821 Attn: Melissa Sherman		Department of Environmental Quality Office of the Secretary Post Office Box 4302 Baton Rouge, Louisiana 70821-4302 Attn: Hearings Clerk, Legal Division Re: Enforcement Tracking No. WE-CN-18-00625 Agency Interest No. 1329	
Water Permits Division (if necessary):		Physical Address (if hand delivered):	
Department of Environmental Quality Office of Environmental Services Post Office Box 4313 Baton Rouge, LA 70821-4313 Attn: Water Permits Division		Department of Environmental Quality 602 N Fifth Street Baton Rouge, LA 70802	

HOW TO REQUEST CLOSURE OF THIS CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY

- To appeal the **CONSOLIDATED COMPLIANCE ORDER AND NOTICE OF POTENTIAL PENALTY**, the Respondent must follow the guidelines set forth in the "Right to Appeal" portion of this **CONSOLIDATED COMPLIANCE ORDER AND NOTICE OF POTENTIAL PENALTY**.
- To request closure of the **COMPLIANCE ORDER** portion, the Respondent must demonstrate compliance with the "Order" portion of this **COMPLIANCE ORDER** by completing the attached "**CONSOLIDATED COMPLIANCE ORDER AND NOTICE OF POTENTIAL PENALTY REQUEST TO CLOSE**" form and returning it to the address specified.
 - o Before requesting closure of the **COMPLIANCE ORDER** portion, please contact the Financial Services Division at 225-219-3865 or email them at DEQ_WWWFinancialServices@la.gov to determine if you owe outstanding fees.
- To expedite closure of the **NOTICE OF POTENTIAL PENALTY** portion, the Respondent may offer a settlement amount to resolve any claim for civil penalties for the violation(s) described herein.
 - o The Department assesses civil penalties based on LAC 33:1.Subpart1.Chapter 7.
 - o The Respondent may offer a settlement amount but the Department is under no obligation to enter into settlement negotiations. It is decided upon on a discretionary basis.
 - o The settlement offer amount may be entered on the attached "**CONSOLIDATED COMPLIANCE ORDER AND NOTICE OF POTENTIAL PENALTY REQUEST TO CLOSE**" form. The Respondent must include a justification of the offer.
 - o **DO NOT** submit payment of the offer amount with the form. The Department will review the settlement offer and notify the Respondent as to whether the offer is or is not accepted.
 - o Before requesting closure of the **NOTICE OF POTENTIAL PENALTY** portion, please contact the Financial Services Division at 225-219-3865 or email them at DEQ_WWWFinancialServices@la.gov to determine if you owe outstanding fees.

If you have questions or need more information, you may contact Melissa Sherman at 225-219-3770 or melissa.sherman@la.gov.




Lourdes Iturralde
Assistant Secretary
Office of Environmental Compliance

Date: 1-25-19

Attachment(s)

- Request to Close
- Table I

LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY OFFICE OF ENVIRONMENTAL COMPLIANCE ENFORCEMENT DIVISION POST OFFICE BOX 4312 BATON ROUGE, LOUISIANA 70821-4312				CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY REQUEST TO CLOSE			
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	c/o Corporate Creations Network, Inc.	Physical Location:	7417 North Peters Street				
	Agent for Service of Process	City, State, Zip:	Arabi, LA 70032				
	1070-B West Causeway Approach Mandeville, LA 70471	Parish:	St. Bernard				
STATEMENT OF COMPLIANCE							
STATEMENT OF COMPLIANCE						Date Completed	Copy Attached?
A written report was submitted in accordance with Paragraph II of the "Order" portion of the COMPLIANCE ORDER.							
All items in the "Findings of Fact" portion of the COMPLIANCE ORDER were addressed and the facility is being operated to meet and maintain the requirements of the "Order" portion of the COMPLIANCE ORDER. Final compliance was achieved as of:							
SETTLEMENT OFFER (OPTIONAL)							
<i>(check the applicable option)</i>							
<input type="checkbox"/>	The Respondent is not interested in entering into settlement negotiations with the Department with the understanding that the Department has the right to assess civil penalties based on LAC 33:1 Subpart 1, Chapter 7.						
<input type="checkbox"/>	In order to resolve any claim for civil penalties for the violations in NOTICE OF POTENTIAL PENALTY (WE-CN-18-00625), the Respondent is interested in entering into settlement negotiations with the Department and would like to set up a meeting to discuss settlement procedures.						
<input type="checkbox"/>	In order to resolve any claim for civil penalties for the violations in NOTICE OF POTENTIAL PENALTY (WE-CN-18-00625), the Respondent is interested in entering into settlement negotiations with the Department and offers to pay \$ _____ which shall include LDEQ enforcement costs and any monetary benefit of non-compliance. <ul style="list-style-type: none"> • Monetary component = \$ _____ • Beneficial Environmental Project (BEP) component (optional) = \$ _____ • DO NOT SUBMIT PAYMENT OF THE OFFER WITH THIS FORM- the Department will review the settlement offer and notify the Respondent as to whether the offer is or is not accepted.						
<input type="checkbox"/>	The Respondent has reviewed the violations noted in NOTICE OF POTENTIAL PENALTY (WE-CN-18-00625) and has attached a justification of its offer and a description of any BEPs if included in settlement offer.						
CERTIFICATION STATEMENT							
I certify, under provisions in Louisiana and United States law that provide criminal penalties for false statements, that based on information and belief formed after reasonable inquiry, the statements and information attached and the compliance statement above, are true, accurate, and complete. I also certify that I do not owe outstanding fees or penalties to the Department for this facility or any other facility I own or operate. I further certify that I am either the Respondent or an authorized representative of the Respondent.							
Respondent's Signature		Respondent's Printed Name			Respondent's Title		
Respondent's Physical Address				Respondent's Phone #		Date	
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AMERICAN SUGAR REFINING INC

Table 1

Sample Date	Sample Point	Parameter	Unit	Standard	Sample Value
09/30/2017	003Q	Carbon, tot organic [TOC] Daily Maximum	C3	50 mg/L	90.3 mg/L
12/31/2017	SUMA (*1)	Solids, total suspended Daily Maximum	Q2	2134 lb/d	2835.7 lb/d
03/31/2018	SUMA (*1)	BOD, 5-day, 20 deg. C Monthly Average	Q1	3399 lb/d	3827 lb/d
06/30/2018	003Q	Carbon, tot organic [TOC] Daily Maximum	C3	50 mg/L	268 mg/L
08/31/2018	SUMA (*1)	BOD, 5-day, 20 deg. C Daily Maximum	Q2	9406 lb/d	11700 lb/d
09/30/2018	003Q	Carbon, tot organic [TOC] Daily Maximum	C3	50 mg/L	487 mg/L

(*1) SUMA- Sum of External Outfalls 001 and 002

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